

Holdsport Limited
(incorporated in the Republic of South Africa)
(Registration number 2006/022562/06)
JSE share code: HSP
ISIN: ZAE000157046
("Holdsport" or the "Company")

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME OF HOLDSPORT

Further to the Company's interim results which were announced on SENS on 27 September 2011, the unaudited *pro forma* statement of financial position at 31 August 2010 and the statement of comprehensive income of Holdsport and its subsidiaries for the six months then ended are set out below.

The unaudited *pro forma* financial information for the six months ended 31 August 2010 has been prepared to show the impact of the conversion of the shareholders' loans and the purchase of the minority shareholder's interest in a subsidiary of Holdsport (the "Loan Conversions").

The unaudited *pro forma* statement of financial position and statement of comprehensive income have been prepared for illustrative purposes only and because of its nature may not fairly present Holdsport's financial position and results of operations, nor the effect and impact of the Loan Conversions going forward.

It has been assumed for purposes of the unaudited *pro forma* consolidated statement of comprehensive income and statement of financial position that the Loan Conversions took place with effect from 1 March 2010 for the purpose of the statement of comprehensive income and at 31 August 2010 for purposes of the statement of financial position.

The directors of the Company are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the unaudited interim condensed consolidated results for the six months ended 31 August 2011 and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Holdsport; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the Listings Requirements.

The unaudited *pro forma* consolidated statement of financial position and the unaudited *pro forma* consolidated statement of comprehensive income are presented in a manner consistent in all respects with IFRS and with the accounting policies upon which the historical financial information has been prepared.

The unaudited *pro forma* statement of financial position and statement of comprehensive income as set out below should be read in conjunction with the independent reporting accountants' report set out below.

The reporting accountants report is available for inspection at the Company's registered office during normal business hours.

UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF HOLDSPORT

The unaudited *pro forma* statement of financial position set out below presents the effects of the Loan Conversions on the financial position of Holdsport at 31 August 2010 based on the assumption that the Loan Conversions took place with effect from 31 August 2010:

Unaudited *pro forma* statement of financial position

R'000	"Before" the Loan Conversions Unaudited ¹ 31 August 2010	of the Loan Conversions ²	"After" the Loan Conversions <i>pro forma</i> ³ Effect 31 August 2010
ASSETS			
Non-current assets	699,731	-	699,731
Plant and equipment	42,817	-	42,817
Goodwill and other intangible assets	656,914	-	656,914
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Current assets	276,451	-	276,451
Inventories	214,880	-	214,880
Trade and other receivables	16,959	-	16,959
Taxation	5,535	-	5,535
Cash and cash equivalents ^{2.2}	39,077	-	39,077
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Total assets	976,182		976,182
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EQUITY AND LIABILITIES			
Share capital ^{2.1}	19	229,293	229,312
Other reserves	110,141	(110,141)	-
Retained earnings	244,851	70,945	315,796
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Equity attributable to owners of the Company	355,011	190,097	545,108
Non-controlling interest ^{2.2}	878	(878)	-
Total equity	355,889	189,219	545,108
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LIABILITIES			
Non-current liabilities	461,736	(219,219)	242,517
Interest bearing liabilities	163,078	-	163,078
Non-interest bearing liabilities ^{2.1}	199,642	(199,642)	-
Deferred taxation	81,072	(19,577)	61,495
Operating lease accrual	17,944	-	17,944
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Current liabilities	158,557	30,000	188,557
Trade and other payables	86,948	-	86,948
Derivative instruments	8,654	-	8,654
Current portion of interest bearing liabilities	22,955	-	22,955
Current portion of			

non-interest bearing liabilities ^{2.1}	40,000	30,000	70,000
Total liabilities	620,293	(189,219)	431,074
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Total equity and liabilities	976,182	-	976,182
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Number of ordinary shares in issue ('000) ^{2.3}	19,400	23,750	43,150
Net asset value per share (cents)			1,263
Net tangible asset value per share (cents)			(91)
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NOTES TO THE UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION

- The financial position as at 31 August 2010 as per the unaudited interim condensed consolidated results of Holdsport for the six months ended 31 August 2011.
- Adjustments for the effect of the Loan Conversions reflect the following:
 - The shareholder loans at 31 August 2010 totals R239.6 million, net of a fair value adjustment of R59.7 million. The total outstanding shareholders' loans of R299 million will be extinguished by way of a cash settlement of R70.0 million whereafter the balance of R229.3 million will be converted into share capital on the Loan Conversions date through the subscription in Shares in Holdsport as is equal to the face value of each shareholder's loan at the date of conversion. See also 2.3 below.
 - Holdsport acquired the remaining minority stake in one of its subsidiaries, First Ascent, prior to the Loan Conversions Date for a total consideration of R3.1 million. The excess of R2.1 million paid over the minority's share in the net book value of the assets of the Company has been charged to retained earnings.
 - In order to facilitate the listing and for the purpose of converting the shareholders loans described in 2.1 above, the number of issued shares of Holdsport was increased by 23,750,330 shares. The increase will be made by way of issuing 6,844,306 shares for the repayment of the shareholders' loans, and 16,905,914 new shares by means of a share split.
- The financial position after taking into account the Loan Conversion.

UNAUDITED *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME OF HOLDSPORT

The unaudited *pro forma* statement of comprehensive income set out below presents the effects of the Loan Conversions on the results of Holdsport for the six months ended 31 August 2010 based on the assumption that the Loan Conversions took place with effect from 1 March 2010:

Unaudited *pro forma* statement of comprehensive income

	"Before" the Loan Conversions Unaudited ¹	Effect of the Loan	"After" the Loan Conversions
<i>pro forma</i> ³	6 months ended 31 August		6 months ended 31 August

R'000	2010	Conversions ²	2010
Revenue	509,993	-	509,993
Cost of sales	(262,315)	-	(262,315)
Gross profit	247,678	-	247,678
Other income	1,666	-	1,666
Trading expenses	(166,720)	-	(166,720)
Operating profit	82,624	-	82,624
Finance income	2,864	-	2,864
Finance cost ^{2.1}	(29,678)	15,725	(13,953)
Profit before taxation	55,810	15,725	71,535
Taxation ^{2.1}	(15,918)	(4,403)	(20,321)
Profit for the year	39,892	11,322	51,214
<i>Attributable to:</i>			
Equity holders of the parent	39,614	11,600	51,214
Non-controlling interest ^{2.2}	278	(278)	-
Profit for the year	39,892	11,322	51,214
Basic and diluted earnings per ordinary share (cents) ^{4.1}	109.1		118.6
Headline earnings per ordinary share (cents) ^{4.2}	108.7		118.4
Core headline earnings per ordinary share (cents) ^{4.3}	129.5		130.1

NOTES TO THE UNAUDITED *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME

- Statement of comprehensive income of Holdsport as per the unaudited interim condensed consolidated statement of comprehensive income for the six months ended 31 August 2011.
- Adjustments for the effect of the Loan Conversions reflect the following:
 - Imputed interest and fair value adjustments on the interest free shareholders' loans totalling R15.7 million, before a deferred taxation credit of R4.4 million, were expensed in the period. These loans will be converted to share capital as part of the Loan Conversions and will no longer have any effect on the statement of comprehensive income.
 - Holdsport purchased the entire minority interest in one of its subsidiaries, First Ascent, prior to the Loan Conversions Date for a total consideration of R3.1 million. The profit attributable to the minority shareholder of R278 000 was therefore reversed.
- The "After" financial information reflects the financial effects after taking into account the Loan Conversions described above.
- Basic and diluted earnings per share (EPS), headline EPS and Core headline EPS
 - Basic and diluted earnings per share have been calculated using a weighted average number of 36.306 million shares in issue for the period ended 31 August 2010. A weighted average number of shares of 43.150 million was used to calculate basic and diluted EPS for the period ended 31 August 2010 after the

Loan Conversions. There is no difference between basic and diluted EPS.

4.2 Reconciliation of headline earnings per share:

R'000	"Before" the Loan Conversions 6 months ended 31 August 2010	"After" the Loan Conversions <i>pro forma</i> 6 months ended 31 August 2010
Profit attributable to equity holders of the parent	39,614	51,214
<i>Adjusted for:</i>		
Profit on sale of plant and equipment	(119)	(119)
Headline earnings (R'000)	39,495	51,095
Weighted average number of shares ('000)	36,306	43,150
Headline EPS (cents)	108.7	118.4

4.3 Holdsport calculates the measure of core headline earnings per share for management purposes as follows:

R'000	"Before" the Loan Conversions 6 months ended 31 August 2010	"After" the Loan Conversions <i>pro forma</i> 6 months ended 31 August 2010
Headline earnings	39,495	51,095
<i>Adjusted for:</i>		
Amortisation of intangibles, net of tax	4,519	4,519
Accrual for straight-lining of leases, net of tax	546	546
Fair value adjustment on loans	11,322	
Core headline earnings (R'000)	55,882	56,161
Weighted average number of shares ('000)	36,306	43,150
Core headline EPS (cents)	129.5 ^{4.4}	130.1

4.4 The number of shares in issue for purposes of core headline earnings per share is the number of shares in issue after the Loan Conversions i.e. 43 150 220 shares.

Cape Town
6 October 2011

Sponsor: UBS South Africa (Pty) Ltd